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**SECRET**

No. 63-137

27 November 1963

MEMORANDUM FOR:

SUBJECT: Termination of Lanyard Program

1. The messages attached indicate a complete sequence of events covering the termination of the Lanyard Program which was directed by DNRO in [redacted] dated 23 October 1963. It is my understanding that Agency representatives participated with DNRO in this decision.

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2. Five contracts are involved in the termination. They are:

ITEK CONTRACT BT-1943  
ITEK CONTRACT IK-4666  
LMSC CONTRACT MM-1954  
LMSC CONTRACT LB-913  
LMSC CONTRACT SE-1928

3. Subsequent to the issuance of the order DNRO in Message [redacted] authorized the completion of units 02, 07 and 08 by ITEK. Accordingly the contracting officer modified the termination notice [redacted] resulting in a partial termination of contract number BT-1943 to permit completion at least through acceptance testing of units 02, 07 and 08. Contract IK-4666 with ITEK remains terminated in its entirety. The completion of three units is a limited effort with minimum manpower, no overtime and a limitation on cost to complete of [redacted]

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4. With respect to LMSC contract MM-1954 was partially terminated to permit completion of the [redacted] "interstage section" and other related efforts as defined in [redacted] Contract LB-913 with LMSC is terminated in its entirety. The Lanyard effort under contract SE-1928 with LMSC has been stopped except for the effort necessary at Boston in connection with completion of the three units.

5. The effective date of the first stop work order with ITEK is 25 October 1963 and 23 October 1963 at LMSC. There are sufficient copies of each of the termination actions in the attached sets of reproduced messages to permit filing in each of the contracts effected by the termination.

Contracting Officer

CD/OSA-DD/S&T

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DOCUMENT NO.

NO CHANGE IN CLASS. ☒

☐ DECLASSIFIED

CLASS. CHANGED TO: TS S C 2011

NEXT REVIEW DATE:

AUTH: HQ 72-2

DATE: 20 1981

REVIEWER: [redacted]

NRO review(s) completed.

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**S E C R E T** 23 OCTOBER 1963 1859Z

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IMMEDIATE ☐ INFO ☐ CITE ☐

☐  
FOR GEN GREER FROM DR. MCMILLAN

FOR THE CONVENIENCE OF THE GOVERNMENT, YOU ARE HEREWITH DIRECTED TO  
TERMINATE THE LANYARD PROJECT IN THE FOLLOWING MANNER:

A. ISSUE STOP-WORK ORDERS IMMEDIATELY COVERING ALL WORK ASSOCIATED  
WITH THIS PROJECT.

B. WITH REGARD TO THE PAYLOAD, YOU ARE TO DETERMINE THE DEGREE AND  
EXTENT OF FURTHER WORK WHICH IS IN THE BEST INTERESTS OF THE GOVERNMENT  
TO COMPLETE PRIOR TO TERMINATION OF CONTRACTS. SUCH WORK AS YOU DETERMINE  
SHOULD BE COMPLETED. FOLLOWING WHICH ALL PAYLOAD HARDWARE IS TO BE PLACED  
IN SECURE STORAGE, AND ALL PAYLOAD CONTRACTUAL EFFORT TERMINATED.

C. WITH REGARD TO ALL OTHER PROJECT HARDWARE, YOU ARE TO DETERMINE  
THE EXTENT AND MANNER IN WHICH THIS HARDWARE CAN BE PHASED INTO OTHER  
ON-GOING EFFORT, AND TAKE ACTION TO MODIFY AFFECTED CONTRACTS ACCORDINGLY.  
PAYLOAD--PECULIAR HARDWARE SHOULD BE PLACED IN SECURE STORAGE.

**S E C R E T** 23 OCTOBER 1963

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S E C R E T 23 OCTOBER 1963 1957Z

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FOR IMMEDIATE DELIVERY EYES ONLY TO [ ]

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INTO EYES ONLY [ ]

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FROM CONTRACTING OFFICER [ ]

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1. EFFECTIVE IMMEDIATELY ITEK CORPORATION IS HEREBY DIRECTED TO STOP ALL WORK ON LANYARD PROGRAM UNDER CONTRACT BT-1943 AND IK-4666. PENDING FURTHER INSTRUCTIONS YOU ARE DIRECTED NOT TO SHIP L-4 INSTRUMENT.

2. IT IS ANTICIPATED THAT FURTHER CLARIFYING INSTRUCTIONS WILL BE ISSUED IN THE IMMEDIATE FUTURE.

S E C R E T 23 OCTOBER 1963

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ACTION \_\_\_\_\_

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SECRET 011154Z

PRIORITY \_\_\_\_\_ INFO \_\_\_\_\_ CITE \_\_\_\_\_

FOR IMMEDIATE DELIVERY TO \_\_\_\_\_

INFO \_\_\_\_\_

FROM CONTRACTING OFFICER

REF: A. \_\_\_\_\_

B. \_\_\_\_\_

REFERENCE A DIRECTED ITEK TO STOP ALL WORK ON THE LANYARD PROGRAM UNDER CONTRACTS BT-1943 AND IK-4666. CONTRACTS BT-1943 AND IK-4666 ARE HEREBY TERMINATED IN THEIR ENTIRETY PURSUANT TO THE CLAUSE THEREOF ENTITLED "TERMINATION FOR CONVENIENCE".

CONCERNING REF B IT IS THE GOVERNMENT'S DECISION THAT NO REPEAT NO ADDITIONAL WORK OR TESTING WILL BE PERFORMED ON ANY CAMERA SYSTEMS OTHER THAN THAT REQUIRED TO SECURELY PACKAGE, INVENTORY AND PREPARE FOR SHIPMENT OR STORAGE. REPRESENTATIVES OF THE GOVERNMENT WILL ARRIVE AT ITEK NOVEMBER 5 AT WHICH TIME PLANS FOR THE INVENTORY, PACKAGING AND DISPOSITION OF ALL GOVERNMENT PROPERTY UNDER THE LANYARD PROGRAM WILL BE CONSIDERED. ITEK IS REQUESTED TO HAVE AN OUTLINE PLAN READY FOR DISCUSSION.

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SECRET 301900Z  
Approved For Release 2004/05/12 : CIA-RDP66B00728R000400070031-5

ATTN: [REDACTED]

IN ORDER TO ASSURE THE GOVERNMENT MAXIMUM RETURN ON CONTRACT BT-1943, [REDACTED] PROPOSES TO COMPLETE CERTAIN INSTRUMENTS ON AN ECONOMICAL BASIS. THE FOLLOWING PLAN ASSUMES THAT NO FURTHER FLIGHTS WILL BE ACCOMPLISHED, THAT CAMERA SYSTEMS ABOVE 85 PERCENT WILL BE COMPLETED, AND THAT AFTER COMPLETION THE PROGRAM WILL BE PUT IN "MOTHBALLS."

1. THE UNITS UNDER CONTRACT BT-1943 ARE IN THE INDICATED PERCENTAGE OF COMPLETION THROUGH THE LEXINGTON DRT FINAL TEST AREA:

06 - 100 PERCENT  
~~04 - 100 PERCENT~~  
07 - 93.4 PERCENT  
08 - 90.4 PERCENT  
02 - 88.7 PERCENT

2. THE UNITS UNDER CONTRACT IK-4666 ARE LESS THAN 85 PERCENT COMPLETE.

3. UNIT 06 AND ALL ASSOCIATED SUPPORT EQUIPMENT AND SPARES SHOULD BE PUT IN A SHIPPING CONTAINER AND RETURNED TO BOSTON FOR STORAGE.

4. UNIT 04 IS IN BOSTON IN A TRANSIT CASE. IT SHOULD BE STORED.

5. UNIT 07 REQUIRES ONLY THE FOLLOWING TO MAKE IT 100 PERCENT PHYSICALLY COMPLETE AND READY FOR LEXINGTON:

- A) INSTALLATION OF HAPL-13
- B) INSTALLATION OF BE MIRROR NBR. 11 AFTER CURING AND TEST
- C) INSTALLATION OF PLATEN WHICH IS 95 PERCENT COMPLETE
- D) FINAL 128 TESTS.

6. UNIT 08 REQUIRES ONLY THE FOLLOWING TO MAKE IT 100 PERCENT COMPLETE:

- A) INSTALLATION OF HAPL-11 REQUIRING REASSEMBLY AND TEST
- B) INSTALLATION OF BE MIRROR NBR. 6 WHICH IS NOW AT FINAL POLISH AND FIGURE.
- C) INSTALLATION OF PLATEN WHICH IS 90 PERCENT COMPLETE
- D) MINOR FINAL ASSEMBLY AND TEST AT 128

7. UNIT 02 REQUIRES:

- A) INSTALLATION OF HAPL-5 AFTER COMPLETION OF CELL REWORK, REASSEMBLY AND TEST.
- B) INSTALLATION OF EITHER BE MIRROR NBR. 14 OR NBR. 16 WHICH ARE NOW IN FINAL POLISH AND TEST.
- C) MINOR FINAL ASSEMBLY AND 128 TESTS.

8. DRT ACCEPTANCE TESTING COULD BE ADMINISTERED TO UNITS 07, 08, AND 02 WITH MINIMUM MANPOWER AND FOURTY (40) HOUR WEEK AND BE COMPLETED BY APPROXIMATELY 31 JANUARY 1964.

9. THE COSTS TO COMPLETE UNITS 07, 08 AND 02 ARE:  
READY FOR DRT    DRT COMPLETE

07  
08  
02

10. WE HAVE COMPLIED WITH YOUR STOP ORDER AND ARE AWAITING FURTHER INSTRUCTIONS. IMPLEMENTATION OF THE ABOVE PLAN WOULD ALLOW FOR THE MORE ORDERLY DISBANDING OF THE PROJECT AND WOULD APPEAR TO BE IN THE BEST INTEREST OF THE GOVERNMENT. URGE THAT THIS PLAN BE INCORPORATED INTO YOUR TERMINATION INSTRUCTIONS.

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FOR DR. MCMILLAN FROM GENERAL GREER

STATUS OF UNITS UNDER TERMINATED ITEK CONTRACTS BT-1943 AND IK-4666 AS FOLLOWS:

1. FIVE FOLLOW-ON UNITS UNDER CONTRACT IK-4666 LESS THAN 85 PERCENT COMPLETE.

2. FIVE REMAINING UNITS UNDER CONTRACT BT-1943 IN FOLLOWING PERCENTAGE OF COMPLETION THROUGH THE LEXINGTON DRT FINAL TEST AREA:

| UNIT | PERCENTAGE OF COMPLETION |
|------|--------------------------|
| 06   | 100                      |
| 04   | 100                      |
| 07   | 93.4                     |
| 08   | 90.4                     |
| 02   | 88.7                     |

THE COMPLETION EFFORT PROPOSED BY ITEK WOULD GENERALLY INVOLVE INSTALLATION OF LENS, MIRRORS, PLATENS AND TEST. UNITS 07, 08 AND 02 WOULD BE BROUGHT TO A STATE OF COMPLETION AT AN ESTIMATED COST OF [REDACTED] AFTER WHICH ITEK WOULD PLACE ALL UNITS IN MOTHBALLS. NO FURTHER WORK WAS PROPOSED BY ITEK ON UNITS LESS THAN 85 PERCENT COMPLETE.

3. SINCE THERE WERE NO KNOWN REQUIREMENTS FOR THIS EQUIPMENT THE TWO ITEK CONTRACTS WERE TERMINATED WITH INSTRUCTIONS TO ITEK NOT TO PERFORM ANY FURTHER WORK ON ANY OF THE UNITS OTHER THAN THAT REQUIRED FOR PACKAGING AND STORAGE.

4. SHOULD YOU WISH TO COMPLETE THE UNITS AS PROPOSED BY ITEK THE TERMINATION NOTICE CAN BE AMENDED TO ACCOMPLISH THIS.

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PRIORITY INFO PRIORITY CITE

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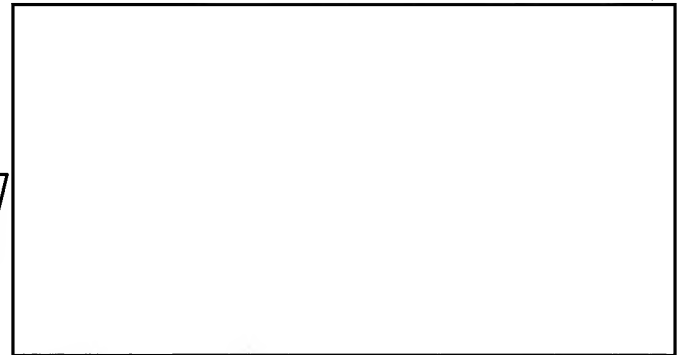
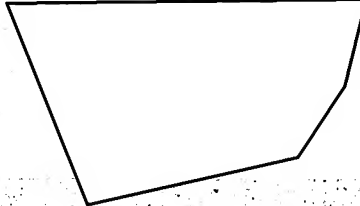
DNRO DESIRES TERMINATION NOTICE BE MODIFIED TO  
ALLOW COMPLETION OF UNITS 07, 08 AND 02 FOR THE  
ESTIMATES COST OF  
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to modify

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PRIORITY INFO CITE

FOR IMMEDIATE DELIVERY TO

INFO

FROM CONTRACTING OFFICER

REF: A.

B.

C.

PART I.

REFERENCE C TERMINATED ITEK CONTRACTS BT-1943 AND IK-4666 IN THEIR ENTIRETY PURSUANT TO THE TERMINATION FOR CONVENIENCE CLAUSE OF THE CONTRACTS. REFERENCE C IS AMENDED AS FOLLOWS:

CONTRACT BT-1943 IS HEREBY PARTIALLY TERMINATED FOR THE CONVENIENCE OF THE GOVERNMENT. PURSUANT TO THE TERMS OF CONTRACT BT-1943 AND ITEK'S PROPOSAL CONTAINED IN REFERENCE B, ITEK IS NOW DIRECTED TO COMPLETE UNITS 02, 07 AND 08 THROUGH DRT. COMPLETION THROUGH DRT OF UNITS 02, 07 AND 08 IS TO BE BASED ON MINIMUM MANPOWER, 40 HOUR WEEK, COMPLETION APPROXIMATELY 31 JANUARY 1964 AND AT AN ESTIMATED COST OF [ ] ON COMPLETION, THESE UNITS TOGETHER WITH UNITS 06 AND 04 ARE TO BE PREPARED FOR STORAGE IN ACCORDANCE WITH TERMINATION PLAN OF 6 NOVEMBER 1963.

PART II.

CONTRACT IK-4666 REMAINS TERMINATED IN ITS ENTIRETY PURSUANT TO THE TERMINATION NOTICE, [ ] ITEK IS DIRECTED TO PROCEED WITHOUT DELAY TO COMPLETE THE INVENTORYING AND PREPARATION FOR STORAGE OF RESIDUAL MATERIAL AND EQUIPMENT ON THIS CONTRACT. FINAL SETTLEMENT OF THIS CONTRACT IS TO BE ACCOMPLISHED AS SOON AS POSSIBLE.

PART III.

IN VIEW OF THE TOTAL TERMINATION OF CONTRACT IK-4666, THE PARTIAL TERMINATION OF CONTRACT BT-1943 AND THE GOVERNMENT'S INTENTION THAT COMPLETED UNITS ARE TO BE PREPARED FOR STORAGE, IT IS HIGHLY DESIRABLE THAT THE 6 NOVEMBER TERMINATION PLAN BE CARRIED ON CONCURRENTLY WITH THE COMPLETION OF UNITS 02, 07 AND 08. ITEK IS ACCORDINGLY DIRECTED TO PURSUE THE TERMINATION PLAN AND TO UNDERTAKE AS MUCH OF THE INVENTORYING AND PACKAGING UNDER CONTRACT BT-1943 AS MAY BE CONSISTENT WITH THE COMPLETION OF UNITS 02, 07 AND 08.

PART IV.

ADVISE CONTRACTING OFFICER AS SOON AS THE ASSIGNEE, [ ] IS NOTIFIED OF TERMINATION ACTION.

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